

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

GENERAL PURPOSE FINANCIAL STATEMENTS

JUNE 30, 2003

HAMMOND, LOUISIANA

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October 24, 2003

Independent Auditor's Report

Mr. Robert G. Tyler, Jr., President
and Members of the Board of Commissioners
Florida Parishes Juvenile Justice District
Hammond, Louisiana

We have audited the accompanying general purpose financial statements of the Florida Parishes Juvenile Justice District, Hammond, Louisiana, as of June 30, 2003, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Florida Parishes Juvenile Justice District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Florida Parishes Juvenile Justice District as of June 30, 2003, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 24, 2003 on our consideration of the Florida Parishes Juvenile Justice District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Florida Parishes Juvenile Justice District. Such information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Respectfully submitted,

Hannis T. Bourgeois, LLP

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 2003

	<u>Governmental Funds</u>		
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>
Assets and Other Debits			
Assets:			
Cash	\$ 425,386	\$ 5,287	\$ -
Investments	368,939	1,528,875	-
Receivables, Net			
Accounts	29,601	-	-
Intergovernmental Grant	24,069	-	-
Prepaid Insurance	-	-	-
Land	-	-	-
Building and Improvements	-	-	-
Vehicles and Equipment	-	-	-
Other Debits:			
Amount to be Provided for Retirement of General Long-Term Debt	-	-	-
Total Assets and Other Debits	<u>\$ 847,995</u>	<u>\$ 1,534,162</u>	<u>\$ -</u>
Liabilities and Fund Equity:			
Liabilities:			
Accounts Payable and Payroll Withholdings	\$ 210,918	\$ -	\$ -
Accrued Expenditures	51,783	-	-
Certificate of Indebtedness	-	-	-
Total Liabilities	262,701	-	-
Fund Equity:			
Investment in General Fixed Assets	-	-	-
Fund Balances:			
Unreserved - Undedicated	<u>585,294</u>	<u>1,534,162</u>	<u>-</u>
Total Fund Equity	<u>585,294</u>	<u>1,534,162</u>	<u>-</u>
Total Liabilities and Fund Equity	<u>\$ 847,995</u>	<u>\$ 1,534,162</u>	<u>\$ -</u>

The accompanying notes are an integral part of this statement.

Exhibit A

<u>Account Groups</u>		<u>Total</u>	
<u>General</u>	<u>General</u>	<u>Memorandum Only</u>	
<u>Fixed</u>	<u>Long-Term</u>	<u>2003</u>	<u>2002</u>
<u>Assets</u>	<u>Debt</u>		
\$ -	\$ -	\$ 430,673	\$ 344,580
-	-	1,897,814	2,346,243
-	-	29,601	13,743
-	-	24,069	12,341
-	-	-	50,747
24,031	-	24,031	24,031
7,614,727	-	7,614,727	7,607,200
823,320	-	823,320	489,289
<u>-</u>	<u>1,110,000</u>	<u>1,110,000</u>	<u>1,445,000</u>
\$ 8,462,078	\$ 1,110,000	\$ 11,954,235	\$ 12,333,174
<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>
\$ -	\$ -	\$ 210,918	\$ 93,928
-	-	51,783	-
<u>-</u>	<u>1,110,000</u>	<u>1,110,000</u>	<u>1,445,000</u>
-	1,110,000	1,372,701	1,538,928
8,462,078	-	8,462,078	8,120,520
<u>-</u>	<u>-</u>	<u>2,119,456</u>	<u>2,673,726</u>
<u>8,462,078</u>	<u>-</u>	<u>10,581,534</u>	<u>10,794,246</u>
\$ 8,462,078	\$ 1,110,000	\$ 11,954,235	\$ 12,333,174
<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2003

	Governmental Fund Types				
	General Fund	Special Revenue Fund	Debt Service Fund	Totals	
				Memorandum Only	
				2003	2002
Revenue:					
Court Costs	\$ 262,181	\$ -	\$ -	\$ 262,181	\$ 293,598
Fees for Services	123,732	-	-	123,732	264,931
Intergovernmental	-	189,884	-	189,884	244,386
Ad Valorem Taxes	-	3,401,006	-	3,401,006	3,106,333
Interest and Other	124,368	12,320	-	136,688	166,435
Total Revenues	510,281	3,603,210	-	4,113,491	4,075,683
Expenditures					
Public Safety:					
Salaries and Related Benefits	2,950,097	-	-	2,950,097	2,807,940
Travel and Training	30,914	-	-	30,914	20,731
Operating Services	366,506	-	-	366,506	380,567
Operating Supplies	273,240	-	-	273,240	228,678
Professional Services	164,743	-	-	164,743	158,597
Other	-	123,558	-	123,558	108,326
Capital Outlay	348,158	-	-	348,158	71,368
Debt Service:					
Principal Retirement	-	-	335,000	335,000	315,000
Interest and Fiscal Charges	-	-	75,545	75,545	91,470
Total Expenditures	4,133,658	123,558	410,545	4,667,761	4,182,677
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,623,377)	3,479,652	(410,545)	(554,270)	(106,994)
Other Financing Sources (Uses):					
Operating Transfers In	3,600,000	-	410,545	4,010,545	3,656,320
Operating Transfers Out	(600,000)	(3,410,545)	-	(4,010,545)	(3,656,320)
Total Other Financing Sources (Uses)	3,000,000	(3,410,545)	410,545	-	-
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(623,377)	69,107	-	(554,270)	(106,994)
Fund Balances - Beginning of Year	1,208,671	1,465,055	-	2,673,726	2,780,720
Fund Balances - End of Year	\$ 585,294	\$ 1,534,162	\$ -	\$ 2,119,456	\$ 2,673,726

The accompanying notes are an integral part of this statement.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

GOVERNMENTAL FUNDS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES BUDGET (GAAP BASIS) AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2003

	General Fund			Special Revenue Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenue:						
Court Costs	\$ 275,000	\$ 262,181	\$ (12,819)	\$ -	\$ -	\$ -
Fees for Services	105,000	123,732	18,732	-	-	-
Intergovernmental	-	-	-	267,506	189,884	(77,622)
Ad Valorem Taxes	-	-	-	3,264,940	3,401,006	136,066
Interest and Other	118,841	124,368	5,527	-	12,320	12,320
Total Revenues	498,841	510,281	11,440	3,532,446	3,603,210	70,764
Expenditures:						
Public Safety:						
Salaries and Related Benefits	2,937,910	2,950,097	(12,187)	-	-	-
Travel and Training	27,602	30,914	(3,312)	-	-	-
Operating Services	355,422	366,506	(11,084)	-	-	-
Operating Supplies	267,528	273,240	(5,712)	-	-	-
Professional Services	160,455	164,743	(4,288)	-	-	-
Other	-	-	-	118,302	123,558	(5,256)
Capital Outlay	372,090	348,158	23,932	-	-	-
Total Expenditures	4,121,007	4,133,658	(12,651)	118,302	123,558	(5,256)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,622,166)	(3,623,377)	(1,211)	3,414,144	3,479,652	65,508
Other Financing Sources (Uses):						
Operating Transfers In	3,600,000	3,600,000	-	-	-	-
Operating Transfers Out	-	(600,000)	(600,000)	(4,009,510)	(3,410,545)	598,965
Total Other Sources (Uses)	3,600,000	3,000,000	(600,000)	(4,009,510)	(3,410,545)	598,965
Excess (Deficiency) of Revenue and Other Sources Over (Under) Expenditures and Other Uses	(22,166)	(623,377)	(601,211)	(595,366)	69,107	664,473
Fund Balances - Beginning of Year	1,208,671	1,208,671	-	1,465,055	1,465,055	-
Fund Balances - End of Year	\$ 1,186,505	\$ 585,294	\$ (601,211)	\$ 869,689	\$ 1,534,162	\$ 664,473

The accompanying notes are an integral part of this statement.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

Introduction

The Florida Parishes Juvenile Justice District (hereinafter referred to as the "District") was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 15:1094, as a political subdivision of the state, with territorial jurisdiction throughout the Twenty-First and Twenty-Second Judicial Districts, including the parishes of Livingston, St. Helena, St. Tammany, Tangipahoa and Washington. The District is governed by a Board of Commissioners composed of seven commissioners who are residents of the District. Two commissioners are appointed for terms of four years by the judges of the Twenty-First Judicial District; two commissioners are appointed for terms of four years by the judges of the Twenty-Second Judicial District; one commissioner is jointly appointed for a term of four years by the judges of the city courts of Bogalusa and Slidell; one commissioner is jointly appointed for a term of four years by the judges of the City of Denham Springs and Hammond and, on an alternating basis, one commissioner shall be appointed for a term of two years by the District Attorney of the Twenty-First Judicial District and by the District Attorney of the Twenty-Second Judicial District. All appointments must be confirmed by the Senate. The Board of Commissioners receive no compensation for their services on the board.

The purpose of the commission is to assist and afford opportunities to children who enter the juvenile justice system, or who are children in need of care or supervision, to become productive, law-abiding citizens of the community, parish, and state by the establishment of rehabilitative programs within a structured environment and to provide physical facilities and related services for children throughout the parishes of Livingston, St. Helena, St. Tammany, Tangipahoa, and Washington,

The board has authority to purchase or otherwise acquire, construct, reconstruct, rehabilitate, improve, repair, operate, lease as lessor or lessee, manage, and administer or enter into contracts for the management, administration, and operation of a juvenile detention facility or facilities, shelter care facility or facilities, or such other juvenile justice facilities as are useful, necessary, expedient, or convenient to carry out the plans and purposes of the commission and for the orderly conduct of its business.

The District presently owns and operates the Florida Parishes Juvenile Detention Center, a 95-bed Secure detention facility housing juveniles. Management and operation of the detention center is performed by a Superintendent and 90 employees, all of whom are appointed by the board. Funding for the District is provided by: (1) court costs levied on all felony and misdemeanor prosecutions, including traffic offenses by any court in the District, (2) charges for services provided by the detention center and (3) grants from the Department of Corrections, State of Louisiana.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2003

Note 1 - Summary of Significant Accounting Policies -

Basis of Presentation

The accounting and reporting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit Guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies.

Financial Reporting Entity

As the governing authority of the District, for reporting purposes, the Florida Parishes Juvenile Justice District is the financial reporting entity for the District. The financial reporting entity consists of (a) the primary government (board), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No, 14 established criteria for determining which component units should be considered part of the Florida Parishes Juvenile Justice District for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the District to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the District.
2. Organizations for which the Board does not appoint a voting majority but are fiscally dependent on the District.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2003

Based on the application of the above criteria, it was determined the Florida Parishes Juvenile Justice District has no potential component unit. As a result, this report includes all funds and account groups which are controlled by or dependent on the District. Control by or dependence on the District was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Fund Accounting

The District uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the District are classified as governmental funds. Governmental funds account for the District's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds of the District include:

1. General Fund - the general operating fund of the District and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special Revenue Fund - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.
3. Capital Projects Fund - accounts for financial resources received and used for the acquisition, construction or improvement of capital facilities not reported in the other governmental funds.
4. Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for and the payment of general long-term debt principal, interest, and related costs.

Property, Plant And Equipment And Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus and only current assets and current liabilities are generally included in their balance sheet.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2003

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The records of the Florida Parishes Juvenile Justice District are maintained on a cash basis of accounting. However, the governmental funds reported in the accompanying financial statements have been converted to a modified accrual basis of accounting utilizing the following practices.

Revenues

Governmental fund revenues (fees and interest earned) are accounted for using the modified accrual basis of accounting. The revenues are recognized when they become measurable and available as net current assets. Exceptions to this rule are state grants and court costs which are recorded as revenue when received.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2003

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Budgets

Budgetary procedures applicable to the District are defined in state law, Louisiana Revised Statutes 39:1301-14. The major requirements of the Local Government Budget Act are summarized as follows:

1. The District must adopt a budget each year for the general fund and each special revenue fund, if applicable.
2. The President must prepare a proposed budget and submit the proposed budget to the Board of Commissioners for consideration no later than fifteen days prior to the beginning of each fiscal year. At the same time, if total proposed expenditures are \$250,000 or more, a notice of public hearing on the proposed budget must be published in the official journal in each parish in which the District has jurisdiction. The proposed budget was submitted to the board of commissioners on May 16, 2002. Upon acceptance by the board, the proposed budget was first published in the official journal in each parish in which the District has jurisdiction on May 22, 2002.
3. A public hearing on the proposed budget must be held at least ten days after publication of the call for the hearing. A public hearing was held on the proposed budget on June 12, 2002.
4. After the public hearing, the budget is adopted by ordinance. All action necessary to adopt and implement the budget must be completed prior to the end of the fiscal year in progress. The budget was adopted on June 12, 2002.
5. The District must certify completion of all actions required to adopt and implement the budget by publishing a notice in the official journal in each parish in which the District has jurisdiction.
6. Budgetary amendments involving the transfer of funds from one program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Commissioners. The budget was amended on June 11, 2003.
7. All budgetary appropriations lapse at the end of each fiscal year.

Encumbrances

The District does not utilize encumbrance accounting.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2003

Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash also includes amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at original cost.

Inventories

The District uses the purchase method for accounting for expendable supplies whereby expenditures are recognized when the items are purchased. The District did not record any inventory at June 30, 2003, as the amount is not material.

Fixed Assets

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized in the general fixed assets account group. Public domain or infrastructures are not capitalized. Interest costs incurred during construction are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

Long-Term Obligations

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

Total Columns on Statements

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with accounting principles generally accepted in the United States of America. Neither is such data comparable to a consolidation.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2003

Note 2 - Cash and Investments -

At June 30, 2003, the book balance of the District's deposits was \$430,673 and the bank balance was \$453,820. Of the bank balance, \$100,000 was covered by federal deposit insurance and \$353,820 was covered by collateral held by the Federal Reserve Bank of New Orleans and Whitney Bank in the fiscal agent bank's name.

The collateral for the District's deposits is categorized to give an indication of the level of risk assumed by the District at year end. Category 1 includes deposits that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered deposits for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered deposits for which the securities are held by the counterparty's trust department or agent, but not in the District's name.

	Confirmed Bank Balance <u>June 30, 2003</u>	FDIC <u>Insurance</u>	Balance <u>Uninsured</u>
Cash	\$ 453,820	\$ 100,000	\$ 353,820
Uncollateralized - Securities Pledged and Held by the Custodial Bank in the Name of the Fiscal Agent			<u>1,049,862</u>
Excess of FDIC Insurance and Pledged Securities over Cash and Cash Equivalents			<u>\$ 696,042</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

Investments

Under state law, the District may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash. Investments are stated at cost.

Some investments at June 30, 2003 are in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the Investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP,

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2003

Inc. a nonprofit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and state wide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

As of June 30, 2003, the District invested \$99,624 in LAMP and \$1,798,190 in U.S. Government Obligations. The District records all interest revenue related to investment activity in the respective funds.

The District's investments are categorized to give an indication of level of risk assumed by the District at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the District or its agent in the District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent, but not in the District's name.

Investments are stated at amortized cost, and all investment activities are conducted through the fiscal agent. During 2003, the District did not invest through any security brokers or dealers. Treasury notes and bills are bought and held at the Federal Reserve Bank of New Orleans in the District's name.

	<u>Category</u>			<u>Carrying</u>	<u>Market</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u>	<u>Value</u>
LAMP	\$ -	\$ -	\$ -	\$ 99,624	\$ 99,624
Federal					
Government					
Obligation	<u>1,798,190</u>	<u>-</u>	<u>-</u>	<u>1,798,190</u>	<u>1,798,190</u>
Total Deposits	<u>\$ 1,798,190</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,897,814</u>	<u>\$ 1,897,814</u>

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2003

Note 3 - Receivables -

The following is a summary of receivables at June 30, 2003:

	General Fund	Total
Accounts	\$ 29,601	\$ 29,601
State Grant	24,069	24,069
Total	\$ 53,670	\$ 53,670
Less allowance for uncollectible	-	-
	<u>\$ 53,670</u>	<u>\$ 53,670</u>

Note 4 - Ad Valorem Taxes

The following is a summary of authorized and levied ad valorem taxes:

2002 Authorized
and
Levied Mileage

Special Revenue Fund 3.00

Ad valorem taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied by the District during the year and actually billed to taxpayers and become due in November. Billed taxes become delinquent on December 31 of each year. Revenues from ad valorem taxes are budgeted in the year billed and recognized as revenue when received. The Tangipahoa Parish, Livingston Parish, St. Helena Parish, Washington Parish and St. Tammany Parish Sheriff's Office bills and collects the property taxes using the assessed value determined by the Tax Assessors of Tangipahoa Parish, Livingston Parish, St. Helena Parish, Washington Parish and St. Tammany Parish. The taxes are generally collected in December of the current year and January and February of the ensuing year. For 2002, the District levied 3.00 mills for a total tax levy of \$3,444,127 on taxable property valuation totaling \$1,148,042,370.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2003

Note 5 - Changes in General Fixed Assets -

A summary of changes in general fixed assets follows:

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Vehicles and Equipment</u>	<u>Total</u>
Balance June 30, 2002	\$ 24,031	\$ 7,607,200	\$ 489,289	\$ 8,120,520
Additions for the Year June 30, 2003	-	7,527	340,631	348,158
Retirements for the Year June 30, 2003	<u>-</u>	<u>-</u>	<u>(6,600)</u>	<u>(6,600)</u>
Balance June 30, 2003	<u>\$ 24,031</u>	<u>\$ 7,614,727</u>	<u>\$ 823,320</u>	<u>\$ 8,462,078</u>

Note 6 - Employees Pension Plan -

Louisiana State Employees Retirement System (Lasers)

All employees of the Florida Parishes Juvenile Justice District participate in the Louisiana State Employees' Retirement System.

The Louisiana State Employees' Retirement System ("LASERS" or the "System") is an agency of the State of Louisiana established under the provisions of Title 11, Section 401, of the Louisiana Revised Statutes of 1950, as amended (the "Statutes"). LASERS is a single-employer public employee retirement system which is organized for the purpose of providing retirement and other benefits for employees of the State and its various departments and agencies and their beneficiaries. LASERS is supervised by an eleven-member Board of Trustees and is funded through employee and employer contributions and investment earnings.

The following Information describing LASERS is necessarily general in nature and is not intended to be a full and complete description of the numerous and varied statutory provisions applicable to LASERS and its members. Reference should be made to the applicable Statutes for specific detailed information.

Eligibility Requirements

All state employees except certain classes of employees specifically excluded by Statutes become members of the System as a condition of employment unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Elected officials and officials appointed by the governor may, at their option, become members of LASERS.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2003

Retirement Benefits

The age and years of creditable service required in order for a member to retire with full benefits are established by Statute and may vary depending on the member's employer and job classification. The substantial majority of members may retire with full benefits at ages ranging from any age, upon completing thirty years of creditable service, to age sixty, upon completing ten years of creditable service.

The basic annual retirement benefit for substantially all members is equal to 2-1/2% of average compensation multiplied by the number of years of creditable service plus \$300. Participants who become members of LASERS on or after July 1, 1986, are not eligible for the \$300 addition to the annual retirement benefit formula. Average compensation is defined as the member's average annual earned compensation for the period of thirty-six consecutive months of employment during which the member's aggregate earned compensation was greatest. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or certain specified dollar amounts of actuarially determined monetary limits which vary depending upon the member's age at retirement. Judges and court officers and certain elected officials receive an additional annual retirement benefit equal to 1 % of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the above basic retirement benefit, a member may elect to receive his retirement benefits under any one of four different options providing for a reduced retirement benefit payable throughout his life with certain benefits being paid to his designated beneficiary after his death.

Contributions

Covered employees are required by state statute to contribute 7.50% of their salary to the plan. The District is required by the same statute to contribute the remaining amounts necessary to pay benefits when due. The contribution requirement for the year ended June 30, 2003, was \$431,392 which consisted of \$281,835 from the District and \$149,557 from employees. Each employer was required by Statute to contribute 14.10% of each employee's earned compensation to finance participation of its employees in LASERS. The following provides certain disclosures for the District and the retirement system.

The District's total payroll in the fiscal year ended June 30, 2003 was \$2,469,775 and the District's contributions were based on a payroll of \$1,994,096. Both the District and the covered employees made the required contributions, amounting to \$431,392.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2003

Trend Information

Contributions required by state statute:

<u>Fiscal Year June 30</u>	<u>Required Contributions</u>	<u>Percentage Contributions</u>
2001	\$ 328,718	100%
2002	\$ 388,558	100%
2003	\$ 431,392	100%

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 922-0600.

Note 7 - Compensated Absences -

Employees of the District are granted annual leave and sick leave based on the equivalent of years of service for the District and the leave is credited at the end of each regular pay period in accordance with the following schedule:

<u>Hours Granted Per Month</u>	<u>Annual and/or Sick Leave</u>
Years of Service	
0 - 2 Years	8 Hours
3 - 4 Years	10 Hours
5 - 9 Years	12 Hours
10 - 14 Years	14 Hours
Over 15 Years	16 Hours

The District's present written policy is "use or, lose". Each employee's annual leave will begin and regenerate on the employee's individual hire date and subsequent hire date anniversary. Annual leave is not paid upon an employee's separation of service. Sick leave up to 240 hours may be accumulated, but is not paid upon separation from service. As a result, no liability for annual leave or accrued sick leave is recorded by the District.

Note 8 - Other Post Employment Benefits -

The District has no other post employment benefits.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2003

Note 9 - Compensation Paid Board Members -

Louisiana Revised Statute 15:1094.1(B) provides "The members of the board of commissioners shall serve without salary or per diem but the board may authorize a reasonable travel allowance for its members in the performance of their official duties."

Note 10 - Changes in Long-Term Debt -

The following is a summary of debt transactions for the Florida Parishes Juvenile Justice District for the year ended June 30, 2003:

	Balance July 1, 2002	Certificates Issued	Certificates Retired	Balance June 30, 2003
Certificates of Indebtedness	\$ <u>1,445,000</u>	\$ <u>-</u>	\$ <u>335,000</u>	\$ <u>1,110,000</u>
	\$ <u>1,445,000</u>	\$ <u>-</u>	\$ <u>335,000</u>	\$ <u>1,110,000</u>

Long-term debt at June 30, 2003 is comprised of the following:

Certificates of Indebtedness:

\$3,100,000 Certificates of Indebtedness Series 1997 dated
October 22, 1996:

Due in Annual Installments of \$245,000 - \$390,000
through March 1, 2006, Interest at 4.60% - 6.50%.

\$ 1,110,000

Total General Long-Term Debt

\$ 1,110,000

Payments of Certificates of Indebtedness principal and interest are secured solely by an irrevocable pledge and dedication of the funds to be derived from the levy and collection of a three (3) mills tax authorized to be levied in each of the years 1996 to 2005, inclusive. Said special tax has been authorized to be levied on all the property subject to taxation within the corporate boundaries of the District pursuant to an election held therein on October 21, 1995.

The annual requirements to amortize all debt outstanding at June 30, 2003, including interest payments of \$118,340 are as follows:

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2003

Certificates of Indebtedness, Series 1996

Year Ended June 30	Principal	Interest	Total
2004	\$ 350,000	\$ 57,760	\$ 407,760
2005	370,000	39,910	409,910
2006	390,000	20,670	410,670
	<u>\$ 1,110,000</u>	<u>\$ 118,340</u>	<u>\$ 1,228,340</u>

Note 11 - Dedication of Proceeds and Flow of Funds - Ad Valorem Tax -

Proceeds of the 10-year special tax of 3 mills on the dollar of assessed valuation on all property subject to taxation in the District (2003 collections - \$3,401,006) are dedicated for the purpose of improving, maintaining and operating the Florida Parishes Juvenile Detention Center, including enlarging said Center and acquiring, maintaining and operating all necessary equipment and furnishings for said Center, said tax subject to homestead exemption as provided by law.

The District, through its governing authority, adopted a resolution on July 10, 1996, as supplemented by a resolution adopted on September 11, 1996, authorizing the issuance of \$3,100,000 of Certificates of Indebtedness, Series 1996 for the purpose of improving the Florida Parishes Juvenile Detention Center, including enlarging said Center and acquiring necessary equipment and furnishings for said Center, and paying the costs of issuance of the Certificates. In those resolutions the proceeds of the 10-year special tax were irrevocably and irrepealably pledged and dedicated in an amount sufficient for payment of the certificates authorized and interest as they become due and for other purposes.

The certificate resolution requires that the District shall deposit with the District's fiscal agent bank in a "Sinking Fund" at least 3 days in advance of the date on which each payment of principal and/or interest falls due, funds fully sufficient to promptly pay the maturing principal and/or interest so falling due on such date.

After the funds have actually been set aside out of the revenues of the tax for any fiscal year sufficient to pay the principal and interest on the certificates for that fiscal year, and all required amounts have been deposited in the aforesaid Sinking Fund, then any annual revenues of the tax remaining in that fiscal year shall be free for expenditure by the District for the purposes for which the tax was authorized by the voters.

The balance in the Sinking Fund at June 30, 2003, was in accordance with the certificate covenant.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2003

Note 12 - Compliance With Certificate Covenants -

The District, through its governing authority, adopted a resolution on July 10, 1996, as supplemented by a resolution adopted on September 11, 1996, authorizing the issuance of \$3,100,000 of Certificates of Indebtedness, Series 1996 for the purpose of improving the Florida Parishes Juvenile Detention Center, including enlarging said Center and acquiring necessary equipment and furnishings for said Center, and paying the costs of issuance of the Certificates. Those certificate resolutions contained certain covenants and agreements in connection with the security and payment of the certificates. The major covenants contained in the certificate resolution and the manner in which the District has complied with these covenants is described as follows:

Sinking Fund - According to the certificate resolution, the District shall deposit with the District's fiscal agent bank in a "Sinking Fund" at least 3 days in advance of the date on which each payment of principal and/or interest falls due, funds fully sufficient to promptly pay the maturing principal and/or interest so falling due on such date.

As of June 30, 2003, the District was in compliance with this certificate covenant.

Securing of deposits of public funds - In the certificate resolution it is required that all moneys deposited with the regularly designated fiscal agent bank or banks of the District or the paying agent under the terms of the resolution shall constitute sacred funds for the benefit of the owner of the certificate, and shall be secured by said fiduciaries at all times to the full extent thereof in the manner required by law for the securing of deposits of public funds.

As of June 30, 2003, the District was in compliance with this certificate covenant.

Other Requirements - The certificate resolution contains additional covenants regarding collection of tax, legal right to collection of tax, and other miscellaneous provisions.

As of June 30, 2003, the District was in compliance with these other certificate covenants in all material respects.

Note 13 - Litigation And Claims -

The District is a defendant in a lawsuit involving a claim by a contractor for extra compensation as a result of change orders issued during the construction of the original Juvenile Detention Center in Tangipahoa Parish, Louisiana. A judgment was rendered on September 30, 2002 in the 21st Judicial District Court against the District for the sum of \$65,000.00 together with legal interest thereon from date of judicial demand, and for all costs of the proceeding. The District has not appropriated any monies to pay this judgment and therefore no liability has been recorded. In addition, the District is attempting to seek funding from the State of Louisiana General Appropriations Budget for payment of this judgment.

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

NOTES TO FINANCIAL STATEMENTS - (CONTINUED)

JUNE 30, 2003

Note 14 - GASB Statement No. 34

In June 1999, the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. Certain of the significant changes in the Statement include the following:

- For the first time the financial statements will include:
 - A Management Discussion and Analysis (MD&A) section providing an analysis of the District's overall financial position and results of operations.
 - Financial statements will be prepared using full accrual accounting for all of the District's activities, including reporting infrastructure assets (roads, bridges, etc.).
 - A change in the fund financial statements to focus on the major funds.

The general provisions of GASB Statement No. 34 must be implemented by the District no later than the fiscal year ending June 30, 2004.

SUPPLEMENTARY INFORMATION

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT**SCHEDULE OF COMPENSATION PAID BOARD MEMBERS**

FOR THE YEAR ENDED JUNE 30, 2003

This schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Louisiana Revised Statute 15:1094,1(B) provides that "board members shall serve without salary or per diem but the board may authorize a reasonable travel allowance for its members in the performance of their official duties.

<u>Board Member</u>	<u>Title</u>	<u>Term</u>	<u>Compensation</u>	<u>Travel Allowance</u>
Robert G. Tyler, Jr.	President	03/01/00 - 02/28/04	\$ -	\$ -
Mary Sue Ferguson	Secretary	12/12/01 - 02/28/04	-	-
Paul Johnson	Treasurer	03/01/03 - 02/28/07	-	-
Peggy G. Hoover	Commissioner	03/01/00 - 02/28/04	-	-
Rev. Lyndle Bullard	Commissioner	03/01/03 - 02/28/07	-	-
Alton Lewis	Commissioner	11/01/03 - 02/28/04	-	-
Michael Forbes	Commissioner	03/01/03 - 02/28/05	-	-
Sharon Barron	Commissioner	02/01/03 - 08/31/03	-	-
Sonya Smith	Commissioner	10/01/02 - 12/31/02	-	-

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

SCHEDULE OF EXPENDITURES BY CLASSIFICATION -
BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 2003

	<u>Revised Budget</u>	<u>2003 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2002 Actual</u>
Salaries and related benefits:				
Salaries and Benefits	\$ 2,937,910	\$ 2,950,097	\$ (12,187)	\$ 2,807,940
 Travel and Training	 27,602	 30,914	 (3,312)	 20,731
 Operating services:				
Printing	100	-	100	145
Insurance	152,554	159,167	(6,613)	190,666
Bank Charges	-	1,432	(1,432)	2,071
Maintenance - Auto and Building	18,000	21,800	(3,800)	17,184
Maintenance - Other	50,700	49,370	1,330	45,841
Rental - Other	220	210	10	654
Dues and Subscriptions	1,368	1,398	(30)	1,085
Postage	4,500	4,237	263	3,867
Telephone	20,396	19,977	419	17,941
Utilities	85,000	86,789	(1,789)	73,515
Recertification	-	40	(40)	9,840
Rural Trash Collection	4,759	4,442	317	3,919
Pest Control	3,500	3,775	(275)	4,665
Legal Advertisement	525	813	(288)	717
Cable TV	800	692	108	485
Copier Lease	10,000	8,559	1,441	4,035
Internet	-	-	-	-
Security Drug Testing	3,000	3,805	(805)	3,138
Other Operating Services	-	-	-	799
	<u>355,422</u>	<u>366,506</u>	<u>(11,084)</u>	<u>380,567</u>

(CONTINUED)

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

SCHEDULE OF EXPENDITURES BY CLASSIFICATION - BUDGET (GAAP BASIS) AND ACTUAL - GENERAL FUND - (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2003

	<u>Revised Budget</u>	<u>2003 Actual</u>	<u>Variance Favorable (Unfavorable)</u>	<u>2002 Actual</u>
Operating Supplies:				
Office Supplies	17,850	18,109	(259)	21,536
Medical Supplies	32,500	35,269	(2,769)	18,945
Food	125,000	122,093	2,907	107,135
Automotive and Maintenance Supplies	29,000	32,772	(3,772)	41,622
Juvenile Personal	11,000	16,075	(5,075)	11,585
Security Supplies	6,000	6,004	(4)	4,195
Recreation Supplies	2,000	1,420	580	2,510
Uniforms	8,500	9,247	(747)	4,552
Kitchen Supplies	3,500	2,955	545	3,738
Educational Supplies	6,228	5,804	424	2,752
Social Services Supplies	1,500	1,361	139	713
Computer Maintenance	5,000	4,176	824	-
Computer Software	5,000	4,854	146	1,197
Kentwood Water	3,000	4,120	(1,120)	3,259
Other Operating Supplies	11,450	8,981	2,469	4,939
	<u>267,528</u>	<u>273,240</u>	<u>(5,712)</u>	<u>228,678</u>
Professional Services:				
Accounting and Auditing	12,500	12,985	(485)	22,492
Medical	32,500	32,356	144	28,600
Legal	87,805	92,819	(5,014)	71,387
Training	-	352	(352)	306
Contract Labor	27,650	26,231	1,419	35,692
Other	-	-	-	120
	<u>160,455</u>	<u>164,743</u>	<u>(4,288)</u>	<u>158,597</u>
Capital Outlay	372,090	348,158	23,932	71,368
Total Expenditures	<u>\$ 4,121,007</u>	<u>\$ 4,133,658</u>	<u>\$ (12,651)</u>	<u>\$ 3,667,881</u>

See auditor's report.

OTHER INDEPENDENT AUDITOR'S REPORTS
AND FINDINGS AND RECOMMENDATIONS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON
AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE *WITH GOVERNMENT*
AUDITING STANDARDS



Hannis T. Bourgeois, LLP

Certified Public Accountants

Randy J. Bonneau, CPA*
Joseph D. Richard, Jr., CPA*
Ronnie E. Stamper, CPA*
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R. David Wascom, CPA
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October 24, 2003

Mr. Robert G. Tyler, Jr., President
and the Members of the Board of Commissioners
Florida Parishes Juvenile Justice District
Hammond, Louisiana

We have audited the general purpose financial statements of the Florida Parishes Juvenile Justice District, Hammond, Louisiana, as of and for the year ended June 30, 2003, and have issued our report thereon dated October 24, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Florida Parishes Juvenile Justice District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Florida Parishes Juvenile Justice District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Florida Parishes Juvenile Justice District's ability to record, process, summarize and

report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and questions costs as items number 2003-1 - 2003-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe that the reportable conditions described above are not material weaknesses.

This report is intended for the use of management and the Office of the Legislative Auditor, State of Louisiana, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the Florida Parishes Juvenile Justice District, is a matter of public record.

Respectfully submitted,

Hannis T. Bourgeois, LLP

FINDINGS AND RECOMMENDATIONS

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT

CURRENT YEAR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2003

FINDINGS AND RECOMMENDATIONS

2003-1 Reconciliation of Accounts

Finding:

In the current year, due to the turnover in the accounting department, it was noted that several bank accounts had not been reconciled to the general ledger on a timely basis. In addition, the payroll liability accounts in the general ledger had not been reconciled to the actual amounts owed at June 30, 2003.

Recommendation:

We recommend that the bank accounts be reconciled to the general ledger on a timely basis each month. In addition, the payroll liability accounts should be reconciled to the amounts actually owed periodically but at least quarterly.

2003-2 Timely Payments

Finding:

In the current year, due to the turnover in the accounting department, it was noted that several payroll taxes and workmen's compensation payments had not been paid for several months at year end. We adjusted the general ledger to properly reflect these payables.

Recommendation:

We recommend timely payment of these types of expenditures to prevent the District from paying any delinquent interest and penalties.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FLORIDA PARISHES JUVENILE JUSTICE DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2003

2002-1 - Inadequate Security for Deposits

Finding:

In the prior year, approximately \$61,224 of the \$471,068 of deposits with financial institutions was unsecured at June 30, 2002.

LA, Rev. Statue 39:1225, requires that balances on deposit with financial institutions are to be secured by a pledge of securities in amounts which at all times are to be equal to 100% of the amount of collected funds on deposit to the credit of the depositing authority in excess of federally insured limits. Unsecured deposits are subject to loss in the event of failure of the financial institution.

Recommendation:

We recommended that management take the necessary steps to obtain adequate security for deposits in excess of FDIC insurance.

Corrective Action Taken:

The District obtained adequate security for deposits in excess of FDIC insurance during the current year.

2002-2 - Investment Account

Finding:

In the prior year, it was noted that several investment accounts had not been reconciled to the investment statements. It was also noted that several cash receipt transactions were recorded as income twice due to problems with the accounting software.

Recommendation:

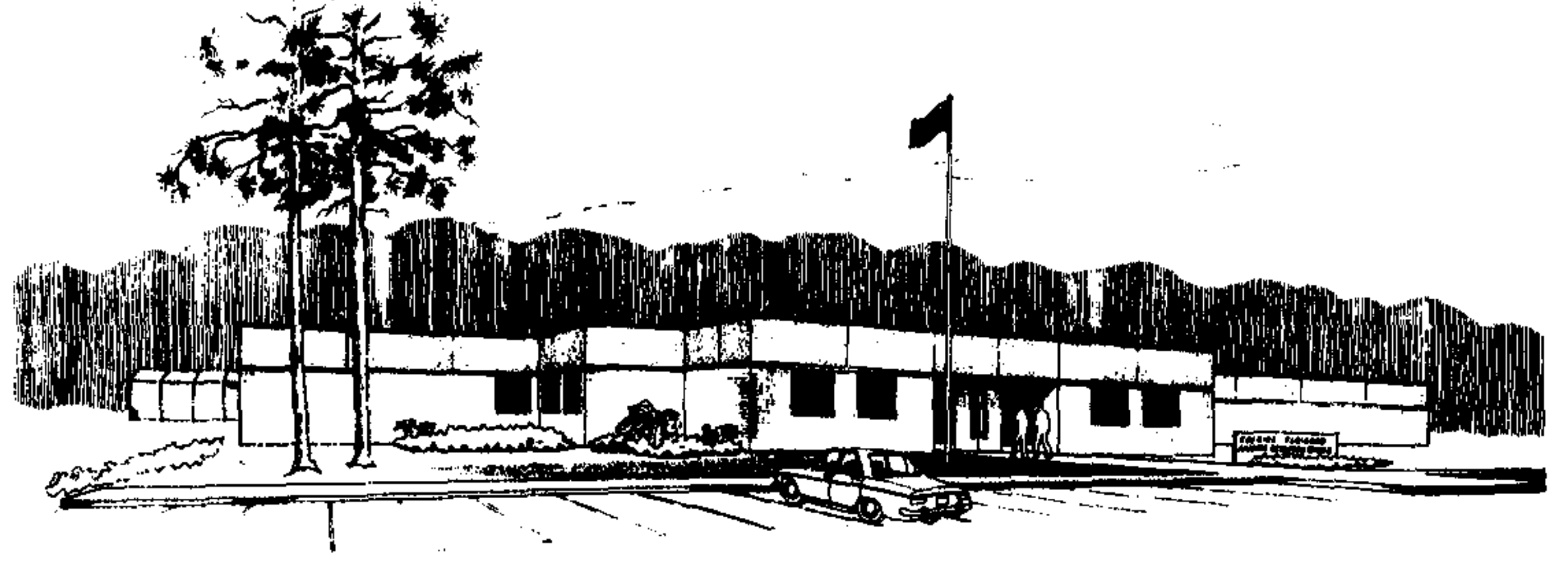
It was recommended management take the necessary steps to reconcile the investment account on a monthly basis and make all adjusting journal entries to record the investment activity. We recorded all the necessary entries to properly reconcile the investment account balance at June 30, 2002. The proper recording of the investment account activity will give the Board more accurate financial information in order that budget decisions may be made more timely.

Corrective Action Taken:

The District reconciled the investment accounts during the year on a timely basis.

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

FLORIDA PARISHES JUVENILE DETENTION CENTER



December 11, 2003

Ms. Celeste Viator, CPA
Hannis T. Bourgeois, LLP
2322 Tremont Drive
Suite 200
Baton Rouge, Louisiana 70809

Dear Ms. Viator,

The following comments address the audit Findings and Recommendations for the year ending June 30, 2003.

2003-1 Reconciliation of Accounts

This issue has been rectified. Our bank accounts are reconciled to the general ledger monthly. Likewise, the payroll liability accounts are reconciled, with the amounts actually owed, on a monthly basis.

2003-2 Timely Payments

Payments of payroll taxes and workmen's compensation charges are paid as soon as these expenses become due.

Thank you for your assistance with the audit and if additional information is needed please contact us.

Sincerely,

A handwritten signature in cursive script, appearing to read "James E. Morris".

James E. Morris
Interim Director